Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0136

Expires November 30, 2000

5. Lease Serial No.

U	T	Ų	-01	14	13	9	3	3
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APPLICATION FOR PERMIT TO	6. If Indian, Allottee or	Tribe Name				
la. Type of Work: X DRILL REI		7. If Unit or CA Agreement, Name and No.				
b. Type of Well: Oil Well Gas Well Other 2. Name of Operator		Single Zone	Multiple Zone	8. Lease Name and We FEDERAL 102 9. API Well No.		
3A. Address 1368 SOUTH 1200 EAST VERNAL, UT 84078	(40E) 704	o. (include area cod - 7024		10. Field and Pool, or E		
4. Location of Well (Report location clearly and in accordance with At surface NE/SE 1625'FSL, 1290'FEL 628' At proposed prod. Zone	5822 fa3829	11. Sec., T., R., M., or SEC. 25, T10S, R.	21E			
 Distance in miles and direction from nearest town or post office* MILES SOUTHEAST OF OURAY, UTAH 				12. County or Parish UINTAH	13. State UTAH	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	240.00	Acres in lease	17. Spacing Unit d	edicated to this well		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. REFER TO TOPO C	19. Propose 8760'	d Depth	20. BLM/BIA Bon BOND NO. W			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5367'GL	22. Approxi	mate date work wi	l start*	start* 23. Estimated duration		
	24. <i>A</i>	Attachments				
The following, completed in accordance with the requirements of One	shore Oil and	Gas Order No. 1, st	all be attached to the	s form:		
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System L SUPO shall be filed with the appropriate Forest Service Office. 	ands, the	Item 20 abo	ove). rtification. site specific informat	nless covered by an existing	,	
25. Signature 1111 1111111111111111111111111111111	, ,	me (Printed/Typed) IEILA UPCHE		, D	ate 8/14/2007	
SENIOR LAND ADMIN SPECIALIST	P		The second secon			
Approved by Oisonhur	Nat Offi	BRADLEY		įę	ate 38-27-07	
Application approval does not warrant or certify that the applicant ho	olds legal or eq	uitable title to thos	e rights in the subjec	t lease which would entitle	the applicant to conduct	

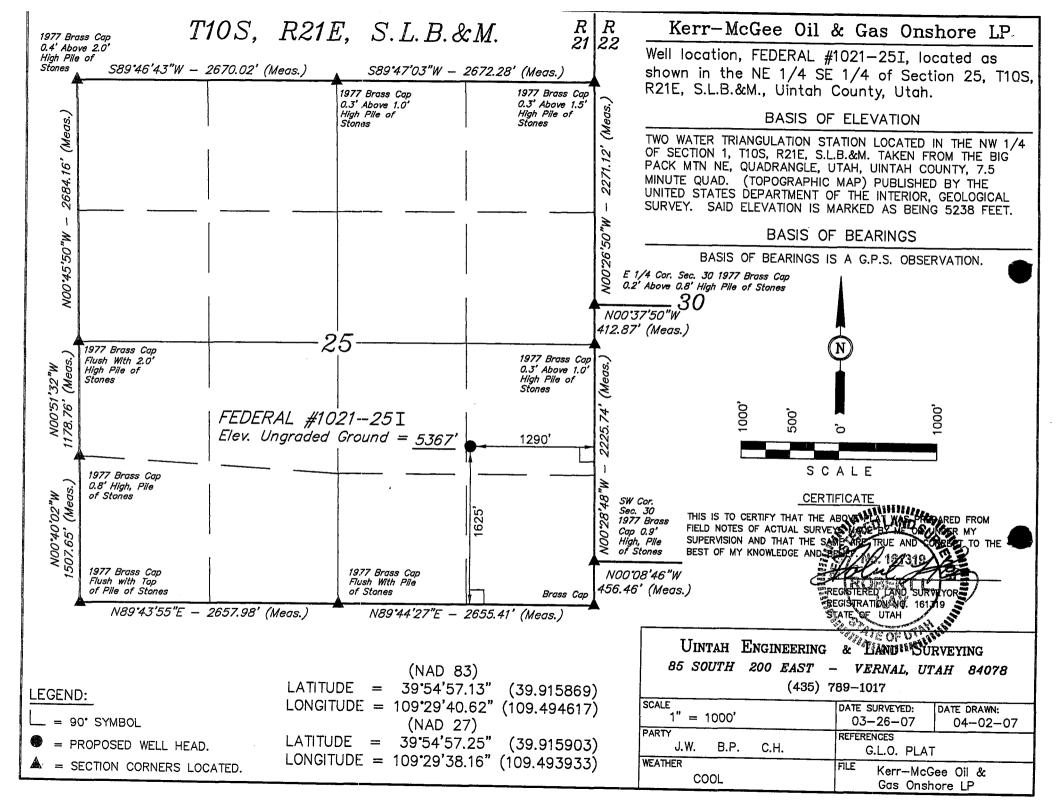
operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

RECEIVED AUG 2 1 2007



FEDERAL #1021-25I NE/SE SEC. 25, T10S, R21E UINTAH COUNTY, UTAH UTU-0143933

ONSHORE ORDER NO. 1

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Depth</u>
0- Surface
963'
1314'
1617'
4098'
6664'
7645'
8271'
8760'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Substance	<u>Formation</u>	<u>Depth</u>
	Green River	963'
	Top of Birds Nest Water	1314'
	Mahogany	1617'
Gas	Wasatch	4098'
Gas	Mesaverde	6664'
Ġas	MVU2	7645'
Gas	MVL1	8271'
Water	N/A	
Other Minerals	N/A	

3. <u>Pressure Control Equipment</u> (Schematic Attached)

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure calculated at 8760' TD, approximately equals 5431 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3504 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates:

Drilling is planned to commence immediately upon approval of this application.

9. Variances:

Please see Natural Buttes Unit SOP.

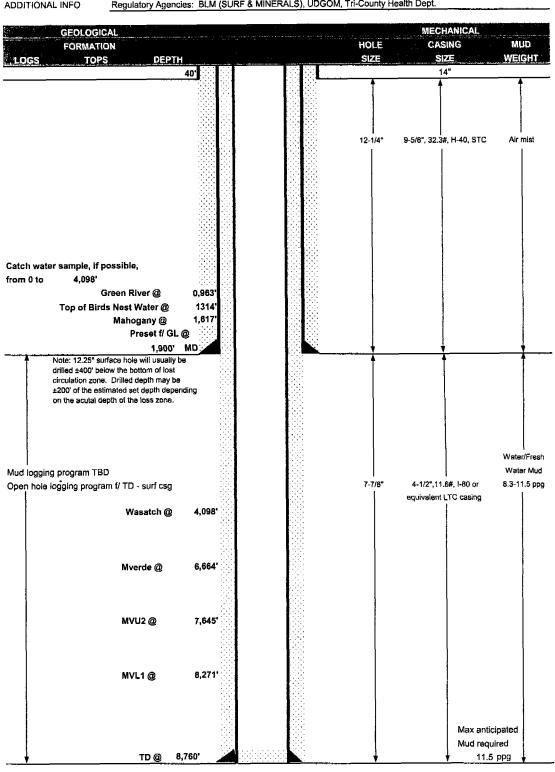
10. Other Information:

Please see Natural Buttes Unit SOP.



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

COMPANY	NAME I	KERR-McGEE OIL & GAS ONSHORE I	LP	_DATE	August 14	1, 2007		
WELL NAM	1E Ī	FEDERAL 1021-25I		TD	8,760'	MD/TVD		
FIELD	Natural Butte	s COUNTY Uintah	STATE U	ltah	ELEVATION	5,367' GL	KΒ	5,382'
SURFACE	LOCATION	NE/SE SEC. 25, T10S, R21E 1625'F	SL, 1290'F	EL.	<u> </u>		BHL	Straight Hole
		Latitude: 39.915869 Longitud	le: 109.4	94617				
OBJECTIVE ZONE(S)		Wasatch/Mesaverde						
ADDITION	AL INFO	Regulatory Agencies: BLM (SURF &	MINERAL	.S), UDGC	M, Tri-County	Health Dept.		





KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

								<u> </u>	ESIGN FACT	ORS
	SIZE	IN	TERV	ĬŢ	WT.	GR.	CPLG.	BURST	COLLAPSE	TENSION
CONDUCTOR	14"		0-40							
								2270	1370	254000
SURFACE	9-5/8*	0	to	1900	32.30	H-40	STC	0.69******	1.54	4.73
							1	7780	6350	201000
PRODUCTION	4-1/2"	0	to	8760	11.60	I-80	LTC	2.35	1.21	2.27
							l .	L		

¹⁾ Max Anticipated Surf. Press.(MASP) (Surface Casing) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point)

(Burst Assumptions: TD =

11.5 ppg)

.22 psi/ft = gradient for partially evac wellbore

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

MASP

3311 psi

Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE LEAD	500	Premium cmt + 2% CaCl	215	60%	15.60	1.18
Option 1		+ .25 pps flocele				l
TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt	50		15.60	1.18
		+ 2% CaCl + .25 pps flocele	ļ			
TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE		NOTE: If well will circulate water to se	urface, op	tion 2 will b	e utilized	. 1
Option 2 LEAD	1500	Prem cmt + 16% Gel + 10 pps gilsonite	170	35%	11.00	3.82
	'	+.25 pps Flocele + 3% salt BWOC)			Ì
TAIL	500	Premium cmt + 2% CaCl	180	35%	15.60	1.18
		+ .25 pps flocele				
TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION LEAD	3,590'	Premium Lite II + 3% KCI + 0.25 pps	390	60%	11.00	3.38
		celloflake + 5 pps gilsonite + 10% gel	į.			
		+ 0.5% extender				
TAIL	5,170'	50/50 Poz/G + 10% salt + 2% gel	1450	60%	14.30	1.31
		+.1% R-3				<u> </u>

^{*}Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.					
	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.					

ADDITIONAL INFORMATION

bailing fread to 750 par after		
: 11" 5M with one annular		

illing out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper

& lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING	ENGINEER:
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Brad Laney

DATE:

DATE:

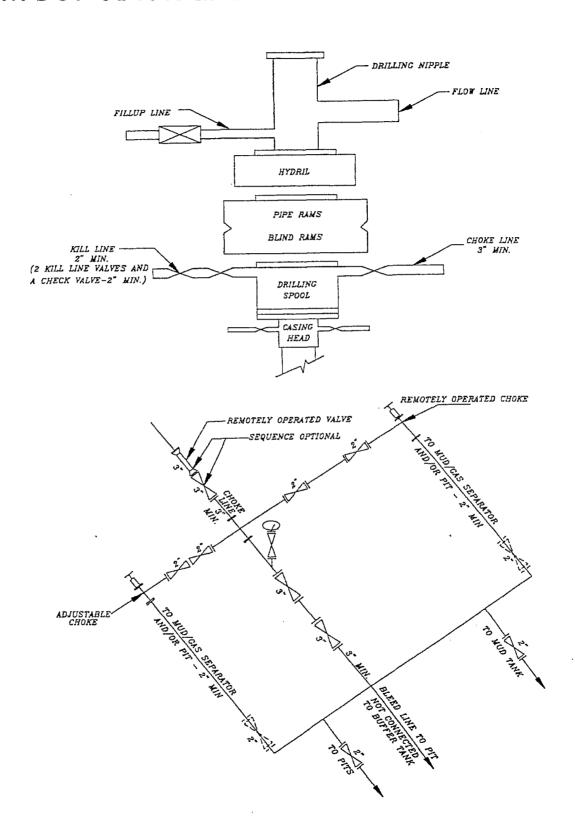
DRILLING SUPERINTENDENT:

Randy Bayne

²⁾ MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft-partial evac gradient x TD)

^{*}Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

5M BOP STACK and CHOKE MANIFOLD SYSTEM



FEDERAL #1021-25I NE/SE SEC 25, T10S, R21E UINTAH COUNTY, UTAH UTU-0143933

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are attached.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 0.1 +/- miles of new access road is proposed. Please refer to the attached Topo Map B.

The access road will be crowned (2 to 3%), ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: <u>Surface Operating Standards for Oil and Gas Exploration and Development.</u> 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free-flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing or shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches, and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. <u>Location of Existing Wells Within a 1-Mile Radius:</u>

Please refer to Topo Map C.

4. <u>Location of Existing & Proposed Facilities & Pipelines:</u>

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The requested color is Carlsbad Canyon (2.5 Y 6/2) as determined during the on-site inspection.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Variances to Best Management Practices (BMP) Requests:

Approximately 4350' +/- of 4" steel pipeline is proposed from the location. A state rights-of-way will be required. The pipeline will cross into State Sec. 36, T10S, R21E. Please refer to Topo Map D.

The pipeline shall be installed on surface within access corridor for the well location. As a Best Management Practice (BMP), the pipeline would be buried within the access road corridor if possible. The construction of pipelines requires the corridor of 30 feet.

This exception to the BMP should be granted by the BLM Authorized Officer because indurated bedrock, such as sandstone, is at or within 2 feet of the surface and the soil has a poor history for successful rehabilitation.

5. <u>Location and Type of Water Supply:</u>

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec.32, T4S,R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner is to be used as discussed during on-site inspection. It will be a minimum of 20 mil thick and felt with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec.35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E. (Request is in lieu of filing Form 3160-5, after initial production).

8. Ancillary Facilities:

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

When the pit is backfilled, the topsoil pile shall be spread on the location up to the rig anchor points. The location will be reshaped to the original contour to the extent possible. The following seed mixture will be used to reclaim the surface for interim reclamation using appropriate reclamation methods. A total of 12 lbs/acre will be used if the seeds are drilled (24 lbs/acre if the seeds are broadcast). The per acre requirements for drilled seeds are:

Black Sagebrush 8 lbs Galleta Grass 8 lbs

The operator shall call BLM for the seed mixture when final reclamation occurs.

11. Surface Ownership:

United States of America Bureau of Land Management 170 South 500 East Vernal, UT 84078 (435) 781-4400

12. Other Information:

WILDLIFE STIPULATIONS:

SAGE GROUSE: No construction or drilling activities March 1st – June 30th.

A Class III Archaeological Survey has been performed, the report will be submitted when it becomes available.

The paleontological Survey Report has been performed, the report will be submitted when it becomes available.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance. The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

13. <u>Lessee's or Operators's Representative & Certification:</u>

Sheila Upchego Senior Land Admin Specialist Kerr-McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078 (435) 781-7024 Randy Bayne
Drilling Manager
Kerr-McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil &Gas Onshore LP is considered to be the operator of the subject well. Westport Oil & Gas Company agrees to be responsible under the terms and the conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BLM Nationwide Bond #WYB000291.

I hereby certify that the proposed drill site and access route has been inspected and that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Mull Jyllly Sheila Upchego

August 14, 2007
Date

Kerr-McGee Oil & Gas Onshore LP FEDERAL #1021-25I SECTION 25, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 11.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 9.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.15 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND INΑ SOUTHWESTERLY, THEN WESTERLY APPROXIMATELY 0.45 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 2.0 MILES TO THE EXISTING #1021-36B AND THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-250 TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATLEY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-25J TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATLEY 0.1 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATLEY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 56.65 MILES.

Kerr-McGee Oil & Gas Onshore LP

FEDERAL #1021-25I LOCATED IN UINTAH COUNTY, UTAH SECTION 25, T10S, R21E, S.L.B.&M.

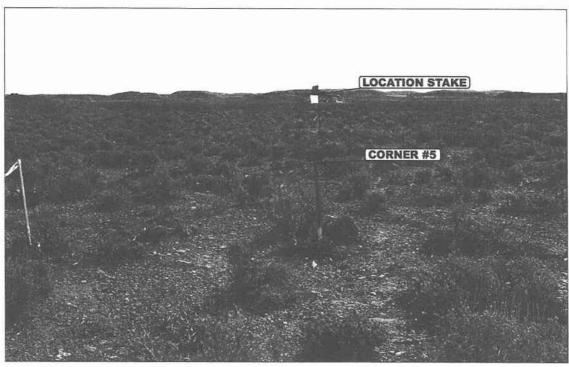


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY

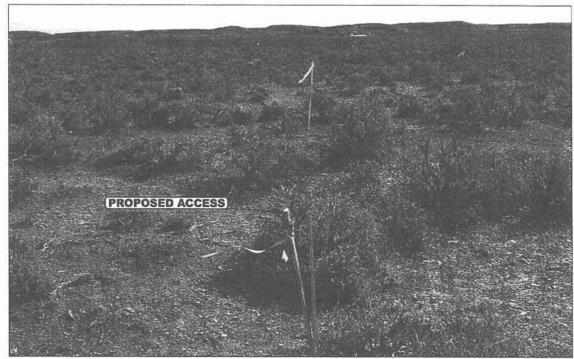


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



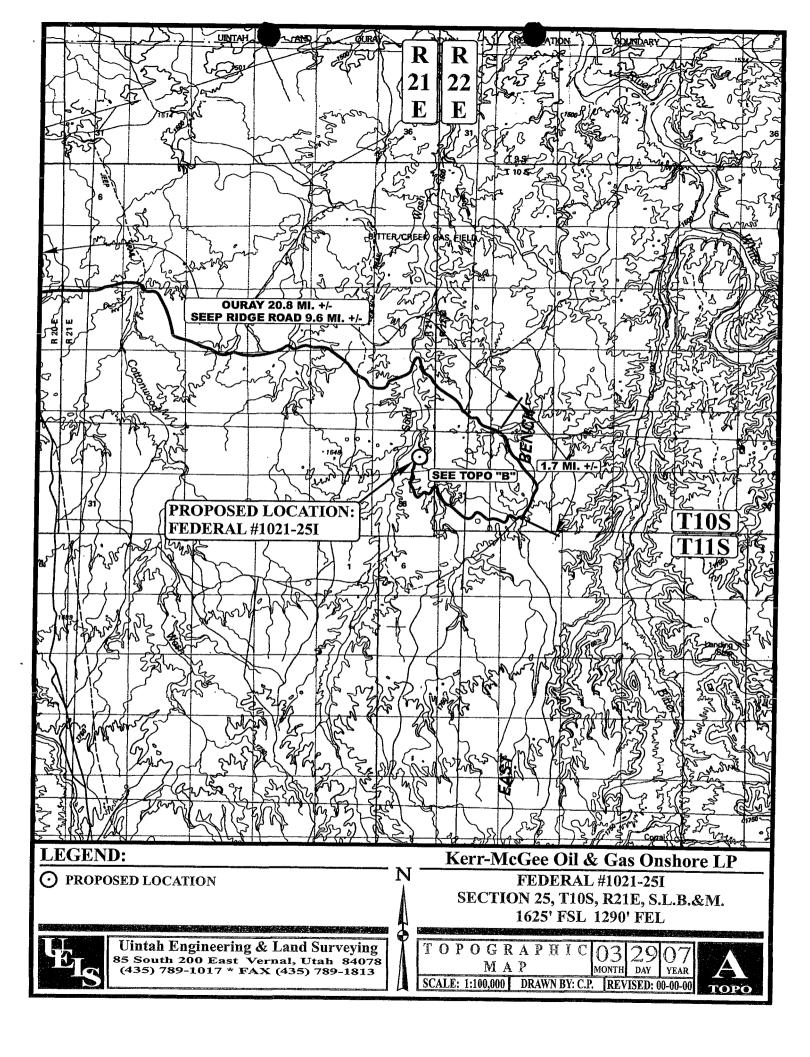
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

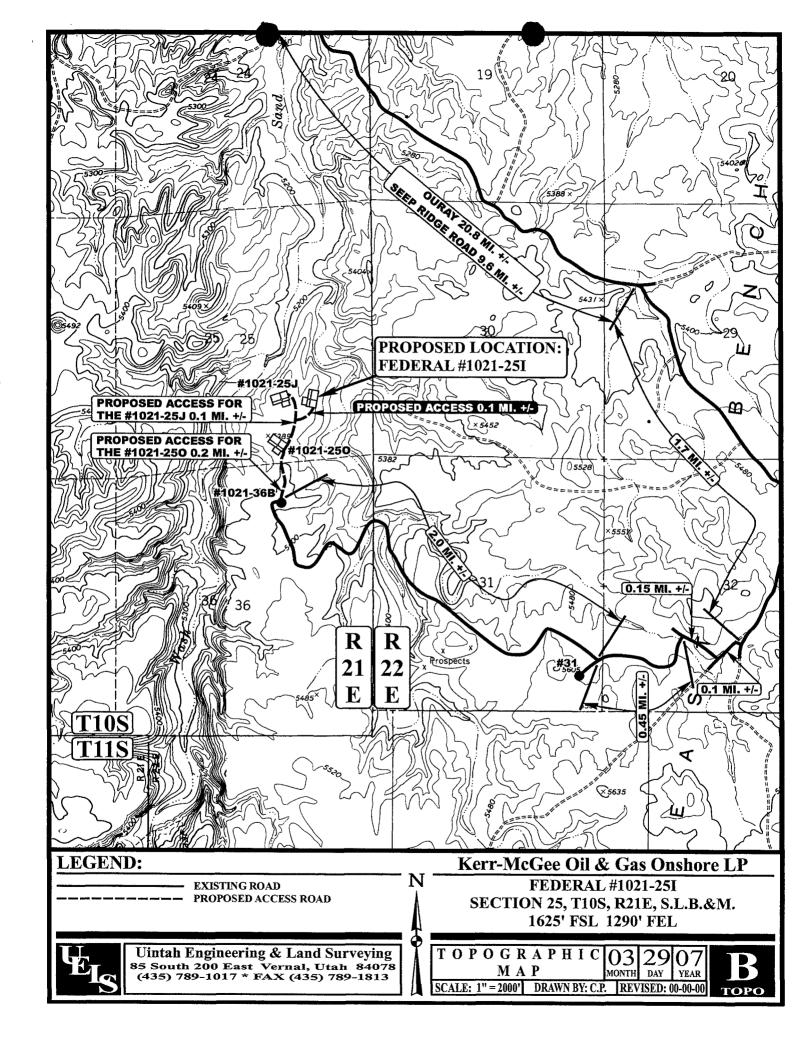
LOCATION PHOTOS

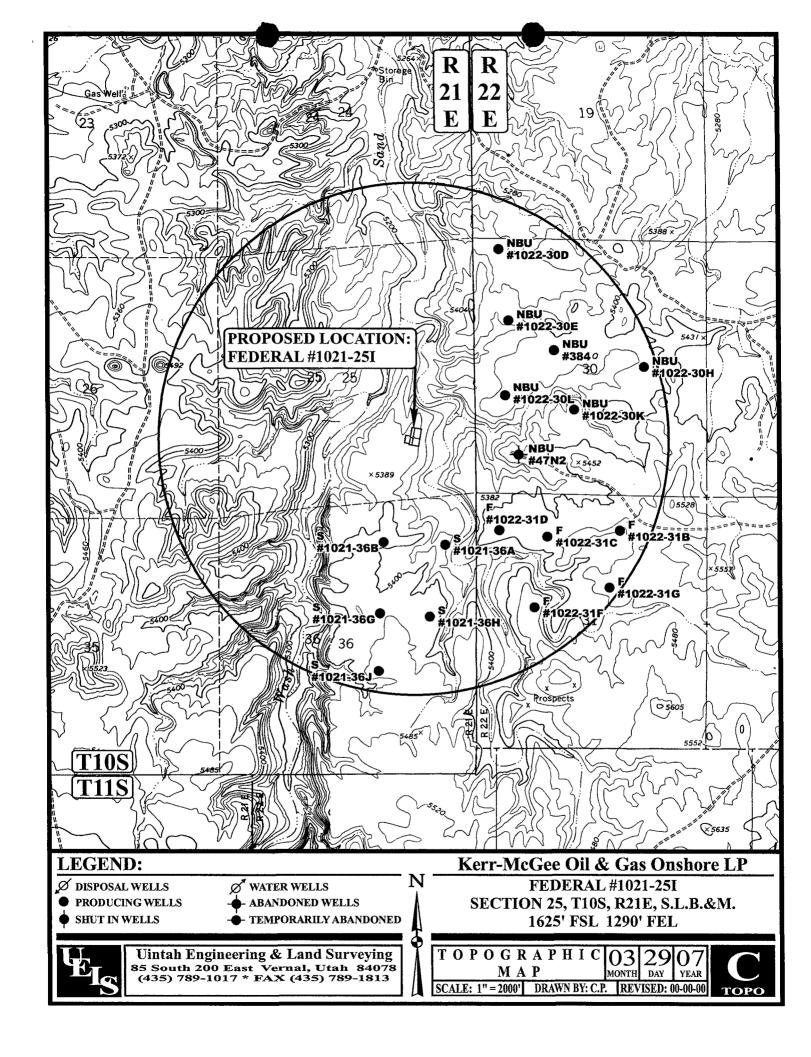
03 29 07 MONTH DAY YEAR

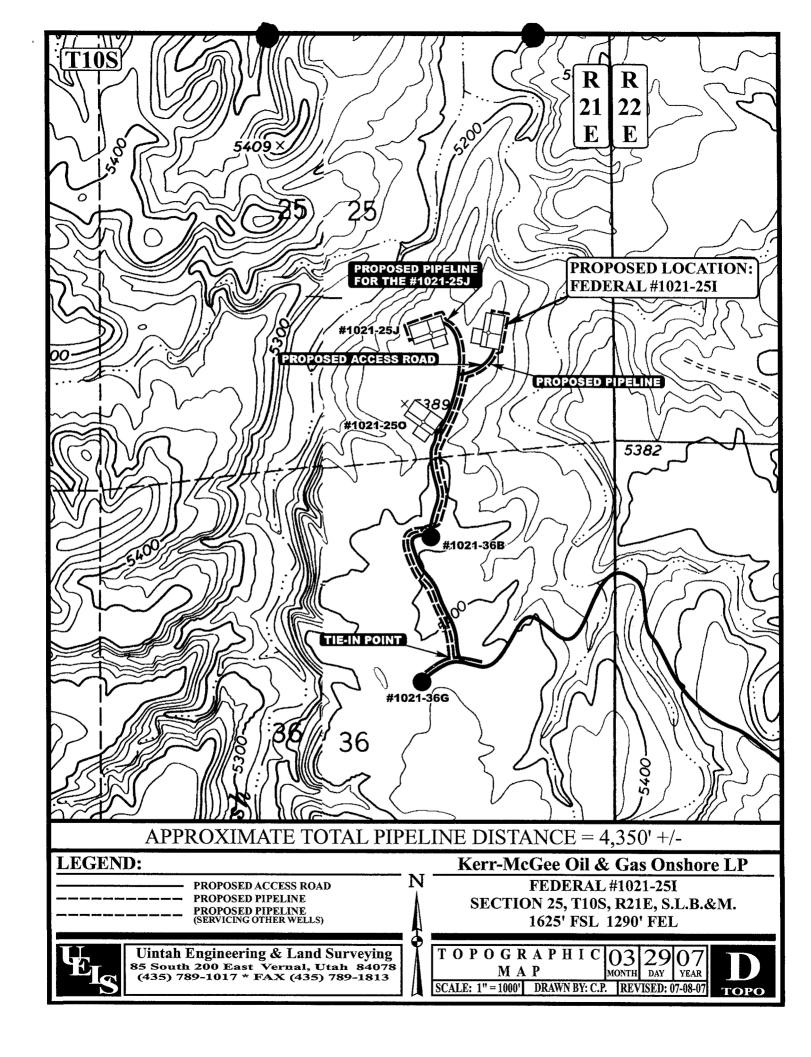
РНОТО

TAKEN BY: J.W. | DRAWN BY: C.P. | REVISED: 00-00-00









Kerr-McGee Oil & Gas Onshore LP FEDERAL #1021-25I

PIPELINE ALIGNMENT LOCATED IN UINTAH COUNTY, UTAH SECTION 25, T10S, R21E, S.L.B.&M.

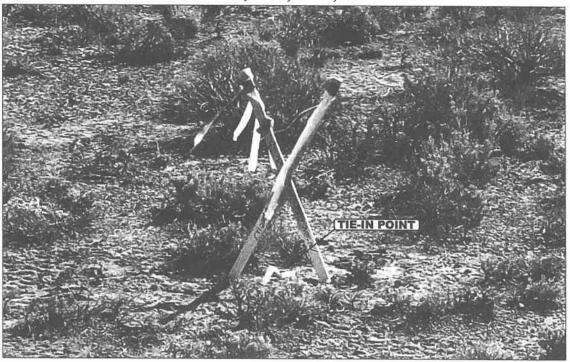


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHEASTERLY

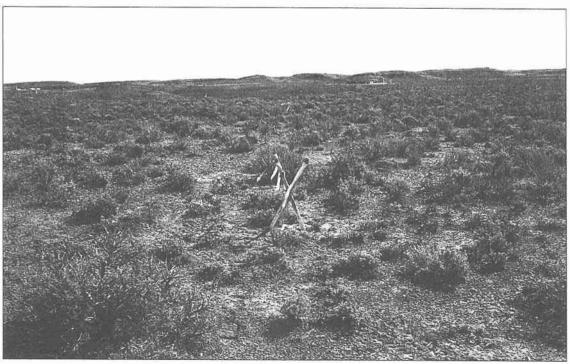


PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY

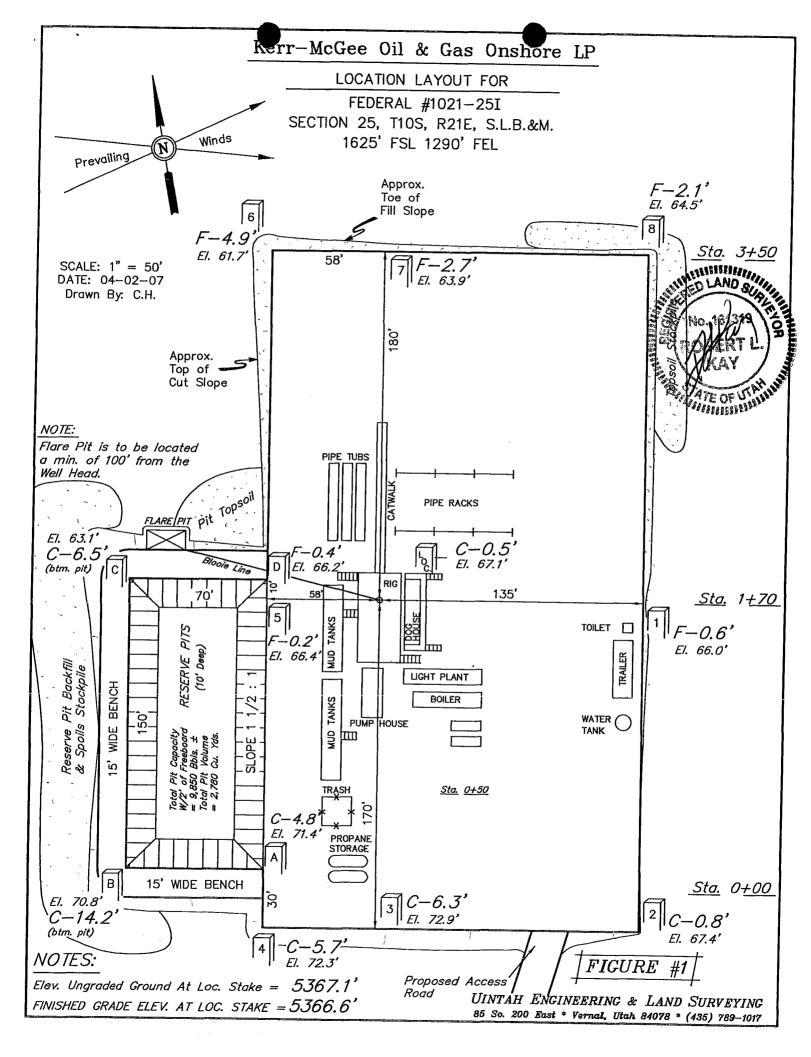


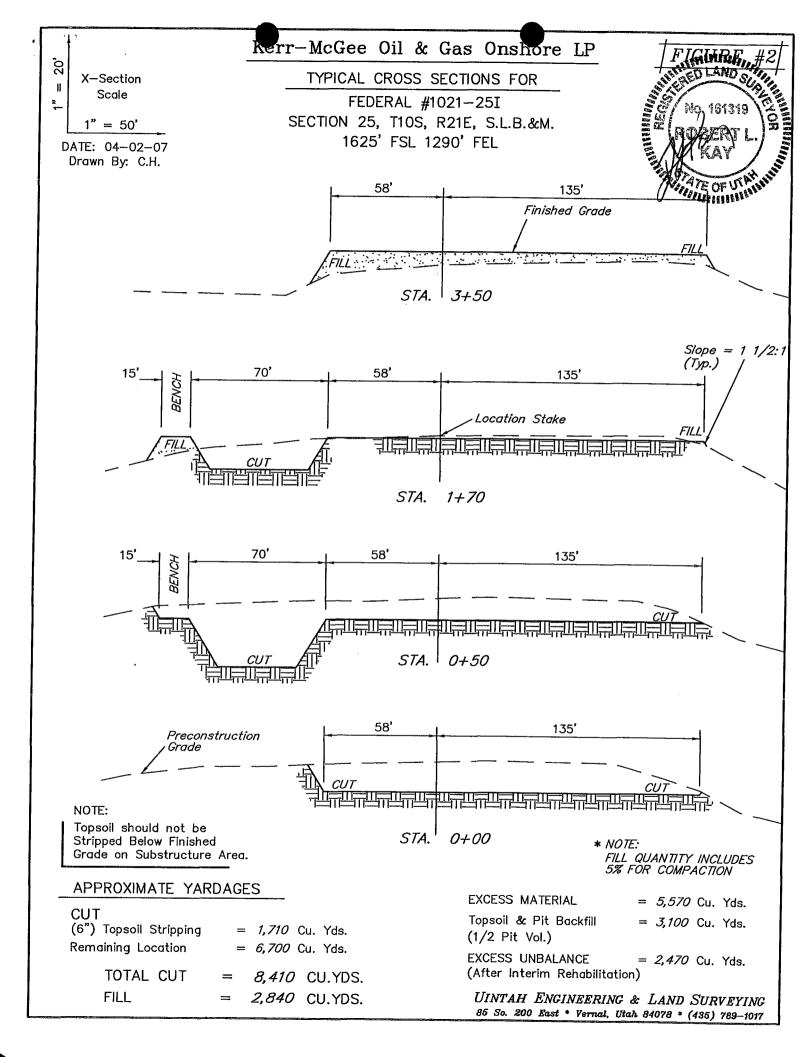
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

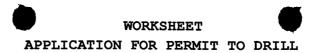
PIPELINE PHOTOS

РНОТО

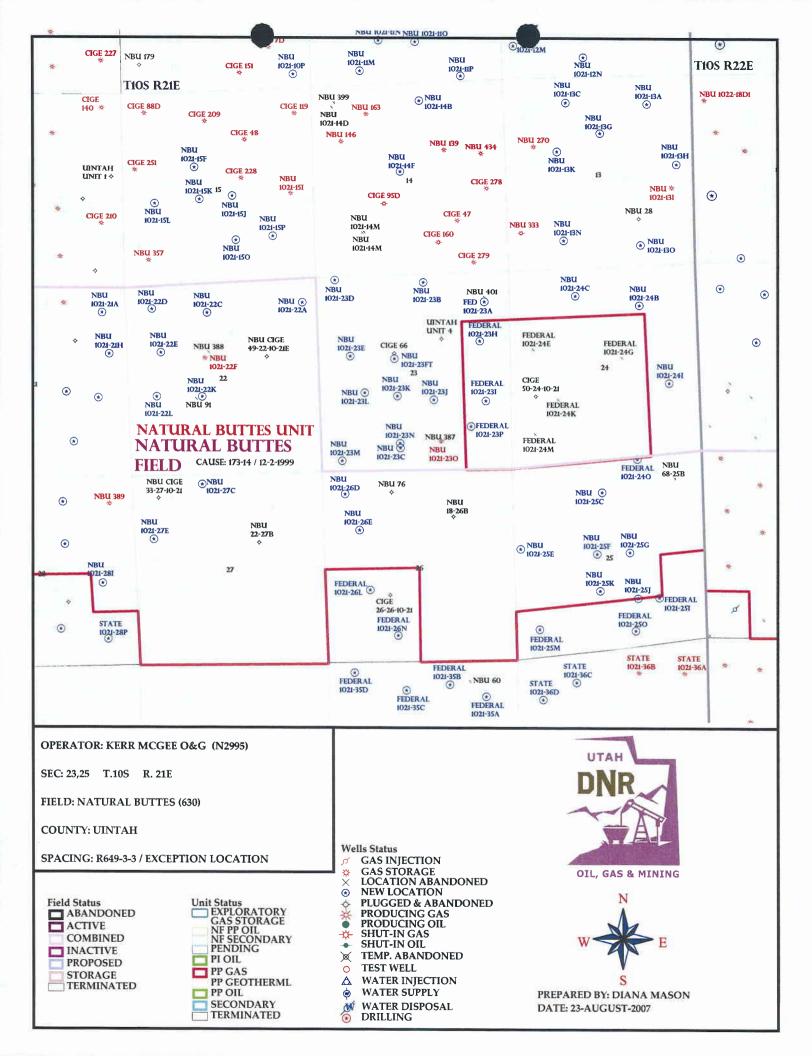
TAKEN BY: J.W. DRAWN BY: C.P. REVISED: 00-00-00







APD RECEIVED: 08/21/2007	API NO. ASSIG	NED: 43-04	7-39577			
WELL NAME: FEDERAL 1021-251 OPERATOR: Kerk McCae Of Co. (NZ995) CONTACT: SHEILA UPCHEGO	PHONE NUMBER:	435-781-702	4			
PROPOSED LOCATION:	INSPECT LOCATN	BY: /	. /			
NESE 25 100S 210E SURFACE: 1625 FSL 1290 FEL	Tech Review	Initials	Date			
BOTTOM: 1625 FSL 1290 FEL	Engineering					
COUNTY: UINTAH LATITUDE: 39.91582 LONGITUDE: -109.4938	Geology					
UTM SURF EASTINGS: 628730 NORTHINGS: 4419290	Surface					
LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-0143933 SURFACE OWNER: 1 - Federal RECEIVED AND/OR REVIEWED:	PROPOSED FORMAT COALBED METHANI LOCATION AND SITING:		IVD			
Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. WYB000291) Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-8496) RDCC Review (Y/N) (Date:) MM Fee Surf Agreement (Y/N) Intent to Commingle (Y/N)	R649-2-3. Unit: R649-3-2. Gener Siting: 460 From Qt R649-3-3. Excep Drilling Unit Board Cause No: Eff Date: Siting: R649-3-11. Dire	tr/Qtr & 920' E				
STIPULATIONS: 1- Jean Aproval 2- On Shait						





Kerr-McGee Oil & Gas Onshore LP 1999 Broadway, Suite 3700 Denver, CO 80205

August 24, 2007

Mrs. Diana Mason Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, UT 84114-6100

RE:

Federal 1021-251 T10S-R21E Section 25: NESE 1625' FSL, 1290' FEL Uintah County, Utah

Dear Mrs. Mason:

Kerr-McGee Oil & Gas Onshore LP has submitted a permit to drill the captioned well to test the Wasatch and Mesaverde formations. The well is located at an exception location to State Rule 649-3-2 (State Wide). The well location was moved for topographic reasons. Kerr-McGee owns 100% of the leasehold within 460 feet of the exception location of the offset lands and has no objection to the exception location.

Kerr-McGee requests your approval of this exception location. If you have any questions, call me at 720-929-6698. Thank you for your assistance.

Sincerely,

Beau Colligan Landman

cc: Chris Latimer





MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA Division Director

August 27, 2007

Kerr McGee Oil & Gas Onshore LP 1368 South 1200 East Vernal, UT 84078

Re:

Federal 1021-25I Well, 1625' FSL, 1290' FEL, NE SE, Sec. 25, T. 10 South, R. 21 East,

Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-39577.

Sincerely,

Associate Die

Associate Director

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal Office



Operator:	Kerr M	Kerr McGee Oil & Gas Onshore LP					
Well Name & Number	Federal	Federal 1021-25I					
API Number:	43-047-	43-047-39577					
Lease:	UTU-0	143933					
Location: NE SE	Sec. 25	T. 10 South	R 21 Fast				

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations. and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

STATE OF UTAH

UTU-014	SIGNATION AND SERIAL NUMBER: 43933				
SUNDRY NOTICES AND REPORTS ON WELLS 6. IF INDIAN, A	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:				
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT of CA AGREEMENT NAME: N/A				
1. TYPE OF WELL OIL WELL GAS WELL OTHER Federal 1	IE and NUMBER: 1021-251				
2. NAME OF OPERATOR: 9. API NUMBE					
Kerr-McGee Oil & Gas Onshore, LP 4304739					
P.O. Box 173779	D POOL, OR WILDCAT: Buttes Field				
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1625' FSL & 1290' FEL COUNTY: U	Jintah				
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 25 10S 21E STATE:	HATU				
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OT	THER DATA				
TYPE OF SUBMISSION TYPE OF ACTION					
✓ NOTICE OF INTENT □ ACIDIZE □ DEEPEN □ REPER	REFORATE CURRENT FORMATION				
	TRACK TO REPAIR WELL				
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION TEMPO	PORARILY ABANDON				
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBIN	NG REPAIR				
CHANGE TUBING PLUG AND ABANDON VENT	OR FLARE				
SUBSEQUENT REPORT CHANGE WELL NAME PLUG BACK WATER	ER DISPOSAL				
	ER SHUT-OFF				
	R: APD Extension				
CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION					
Date: Describe Proposed or Completed Operations. Clearly show all pertinent details including dates, depths, volumes, etc. Kerr-McGee Oil & Gas Onshore, LP, respectfully requests a one year extension of this APD in order to complete drilling operations. Utah Division of Oil, Gas, and Mining initially approved this APD on August 27, 2007. Approved by the Utah Division of Oil, Gas and Mining Date: Date: Copy Sent to Operator Date: 8-14-7068 Initials: Initials:					
NAME (PLEASE PRINT) Kevin McIntyre TITLE Regulatory Analyst I					
SIGNATURE DATE 8/11/2008					

(This space for State use only)

RECEIVED 3

AUG 1 2 2008



Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: Well Name:	4304739577 Federal 1021-25I		
Location:		& 1290' FEL, Sec. 25, T10	S. R21E
		Kerr-McGee Oil & Gas	· ·
Date Original	Permit Issued:	8/27/2007	
above, hereby	verifies that the	information as subr	on the property as permitted nitted in the previously as not require revision.
Following is a verified.	checklist of som	e items related to th	e application, which should be
	rivate land, has t en updated? Yes		ged, if so, has the surface
		the vicinity of the proents for this location?	oposed well which would affect ? Yes⊡No☑
		er agreements put ir proposed well? Yes[n place that could affect the ⊒No⊠
		to the access route proposed location?	including ownership, or right- Yes⊡No⊠
Has the appro	ved source of wa	ater for drilling chang	ged? Yes□No ⊠
	ıire a change in ı		ace location or access route discussed at the onsite
ls bonding still	in place, which	covers this proposed	d well? Yes⊠No□
Ki.	ne		8/11/2008
Signature			Date
Title: Regulator	ry Analyst I		
Representing:	Kerr-McGee Oil &	& Gas Onshore, LP	
			RECEIVED



GARY R. HERBERT Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2009

Raleen White Anadarko Petroleum Corp. PO Box 173779 Denver, CO 80217-3779 43 047 39577 Federal 1021-251 105 21 E 25

Re: APDs Rescinded at the request of Anadarko Petroleum Corp.

Dear Ms. White:

Enclosed find the list of APDs that you requested to be rescinded to Anadarko Petroleum Corp. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective February 20, 2009.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Masor

Environmental Scientist

cc:

Well File

Bureau of Land Management, Vernal

SITLA, Ed Bonner



				-	
43047395730000	FEDERAL 1021-23P	108	21E	23	SESE
43047395770000	FEDERAL 1021-25I	10S	21E	25	NESE
43047395760000	FEDERAL 1021-25M	108	21E	25	swsw
43047397930000	Federal 1021-25N	10S	21E	25	SESW
43047395810000	FEDERAL 1021-34K	10S	21E	34	NESW
43047395520000	FEDERAL 1021-34M	10S	21E	34	swsw
43047395560000	FEDERAL 1021-34P	108	21E	34	SESE
43047389890000	FEDERAL 1021-35F	10S	21E	35	SENW
43047389760000	FEDERAL 1021-35G	10S	21E	35	SWNE
43047389380000	FEDERAL 1021-35H	10S	21E	35	SENE
43047389350000	FEDERAL 1021-35I	108	21E	35	NESE
43047389330000	FEDERAL 1021-35P	108	21E	35	SESE
43047389370000	FEDERAL1021-35A	10S	21E	35	NENE
43047365050000	LOVE 1121-2B	118	21E	02	NWNE
43047394050000	LOVE UNIT 1121-10NT	11S	21E	10	SESW
43047393910000	LOVE UNIT 1121-3NT	118	21E	03	swsw
43047388240000	LOVE UNIT 1122-18C	11S	22E	18	NENW
43047388250000	LOVE UNIT 1122-18J	115	22E	18	NWSE
43047388260000	LOVE UNIT 1122-18K	118	22E	18	NESW
43047396050000	LOVE UNIT 1122-18L	118	22E	18	NWSW
43047396030000	LOVE UNIT 1122-19C	118	22E	19	NENW
43047386310000	MULLIGAN 823-23H	08S	23E	23	SENE
43047387130000	MULLIGAN 823-240	085	23E	24	SWSE
43047393730000	NBU 1020-1KT	105	20E	01	NESW
43047393740000	NBU 1020-24BT	105	20E	24	NWNE
43047393760000	NBU 1021-11I	105	21E	11	NESE
43047393800000	NBU 1021-11M	105	21E	11	SWSW
43047393790000	NBU 1021-11P	105	21E	11	SESE
	NBU 1021-11A	105	21E	12	NENE
4304739383	NBU 1021-12L - STATE	103	21E	12	NWSW
		105	21E	12	SESW
43047393840000	NBU 1021-12N				
43047395470000	NBU 1021-15F	10S	21E	15	SÉNW
43047395460000	NBU 1021-15L	10S	21E	15 4-5	NWSW
43047395630000	NBU 1021-15P	10S	21E	15	SESE
43047395260000	NBU 1021-20G STATE/FED	105	21E	20	SWNE
43047395340000	NBU 1021-20J STATE/FED	10S	21E	20	NWSE
43047395330000	NBU 1021-20K STATE/FED	10S	21E	20	NESW
43047395320000	NBU 1021-20L STATE/FED	10S	21E	20	NWSW
43047395310000	NBU 1021-200 STATE/FED	10S	21E	20	SWSE
43047375280000	NBU 1021-21C (FKA C275)	10S	21E	21	NENW
43047367020000	NBU 1021-21H	10S	21E	21	SENE
43047395500000	NBU 1021-22A	10S	21E	22	NENE
43047394030000	NBU 1021-23FT	10S	22E	23	SENW
43047395600000	NBU 1021-23L	10S	21E	23	NWSW
43047395780000	NBU 1021-25F	10S	21E	25	SENW
43047395750000	NBU 1021-25J	10S	21E	25	NWSE
43047395610000	NBU 1021-25K	10S	21E	25	NESW

43047395800000	NBU 1021-26D	10\$	21E	26	NWNW
43047395790000	NBU 1021-26E	105	21E	26	SWNW
43047379680000	NBU 1021-6C	105	21E	06	NENW LOT 3
43047379670000	NBU 1021-6D	105	21E	06	NWNW LOT 4
43047379410000	NBU 1021-7B	10S	21E	07	NWNE
43047401850000	NBU 921-31BT	09S	21E	31	NWNE
43047363950000	NBU 921-33K	09S	21E	33	NESW
4304740038	HATCH 923-13A	09S	23E	13	NENE
4304740060	HATCH 923-13ED	09S	23E	13	SWNW
4304740059	HATCH 923-13O	09S	23E	13	SWSE
4304740061	HATCH 923-14M	09S	23E	14	SWSW
4304740143	HATCH 923-14O	098	23E	14	SWSE
4304740064	HATCH 923-15B	098	23E	15	NWNE
4304740062	HATCH 923-15L	09S	23E	15	NWSW
4304740063	HATCH 923-15P	09S	23E	15	SESE
4304740065	HATCH 923-24O	09S	23E	24	SWSE
4304740069	HATCH 923-25A	09S	23E	25	NENE
4304740068	HATCH 923-25I	09S	23E	25	NESE
4304740070	HATCH 923-25O	098	23E	25	SWSE
43047388010000	FEDERAL 1022-15H	108	22E	15	SENE
4304739388	FEDERAL 1022-15K	10S	22E	15	NESW
43047389240000	FEDERAL 1022-15L	10S	22E	15	NWSW
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